GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4000
ANSWERED ON:23.03.2001
OUTSTANDING EXCISE DUTY
SATYAVRAT CHATURVEDI;SUNDER LAL TIWARI

Will the Minister of FINANCE be pleased to state:

(a) whether the income tax and excise duty exceeding one crore of rupee is outstanding against each of 2002 and 386 companies respectively as on 30.6.2000 and the date since when it is outstanding alongwith the total amount thereof and the action being taken by the Government to expedite its recovery;

(b) whether the Government propose to amend the relevant laws, so that the appellate tribunals and other courts do not give stay orders and cause unnecessary delay in the recovery;

(c) if so, whether the Government propose to make any amendments in the law to speed up recovery and if so, by when; and

(d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a): Sir, there were 2002 companies and 386 parties/ assessees against whom demand of Income Tax and Central Excise duty of more than one crore each is outstanding. The total amount of Income tax outstanding is Rs.22729 crore on 30.6.2000.The total amount of Central Excise outstanding is Rs. 3343 crore approximately. Since the demands pertain to many years and under many heads like tax, interest, fine, penalty etc. levied at different stages at different times, it is not possible to give the exact period of pendency of the demands. High priority is given to the work of collection/ reduction of arrears demand and appropriate administrative, legal and other measures are taken to recover the same. Request is also made to the concerned appellate authorities for early disposal of cases, and where the recovery proceedings are stayed by the Courts, steps are initiated to get the stay vacated. Coercive measures also taken in suitable cases for speedy recovery.

(b), (c) & (d): Clause 78 of the Finance Bill, 2001 seeks to amend section 254 of the Income-tax Act to provide that where an order of stay is made by the Income Tax Appellate Tribunal in any proceedings relating to an appeal filed by a taxpayer, the Appellate Tribunal shall dispose off the appeal within a period of one-hundred and eighty days from the date of such order granting stay, and if such appeal is not so disposed of, the stay order shall stand vacated after the expiry of the specified period. The proposed amendment will speed up recovery of direct tax arrears by ensuring that unnecessary delay in recovery are not caused by stay orders granted by the Income-tax Appellate Tribunal

As regards central excise, adequate provisions are available under Central Excise Act and Rules, to recover the arrears, such as - under Section 11, the Central Excise Authorities may deduct such dues out of the money payable to the assessee, attach excisable goods of the assessee and take certificate action. Under Rule 230, goods, plants and machinery of the assessee can be detained for effecting recovery of the tax dues. Section 142 of the Customs Act, 1962 has also been made applicable to central excise cases with effect from 2.9.97, which gives more powers to the Customs/Central Excise Department for recovery of Government dues by attachment of movable/immovable properties, their auction, etc.